

Message Text

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E.O. 11652: N/A
TAGS: BTIO, BENC, SA
SUBJECT: INVESTMENT OPPORTUNITIES IN CONSTRUCTION INDUSTRY --
AL-MAHA CONSTRUCTORS

REF: 76 DHAHRAN 0875 (NOTAL)

1. CONGEN HAS BEEN APPROACHED BY MUHAMMAD NASIM, PARTNER OF TWO-YEAR-OLD COMPANY CALLED AL-MAHA CONTRACTORS, TO LOCATE THREE SEPARATE JOINT VENTURE PARTNERS TO FORM COMPANIES WITH FOLLOWING CAPACITY IN CONSTRUCTION INDUSTRY:

(A) ELECTRICAL -- CAPABLE OF HANDLING WORK IN CONSTRUCTION OF OFFICE BUILDINGS, FACTORIES, AND DWELLING UNITS.

(B) CIVIL -- CAPABLE OF HANDLING CONSTRUCTION OF BLOCK-AND-MORTAR HOUSING, SINGLE FAMILY UNITS, APPARTMENT HOUSES AND MULTI-STORY BUILDINGS.

(C) OFF-SHORE WORK IN PETROLEUM INDUSTRY -- PIPE WORK, RZLDING, FABRICATION OF METAL FOR MARINE ENGINEERING PROJECTS.

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2. AL-MAHA IS PARTNERSHIP BETWEEN MUHAMMAD NASIM AND ABDULRAHIM AL-MOOSA (MORE GENERALLY KNOWN TO BUSINESS COMMUNITY AS ABDULRAHIM BALUCHI). AL-MOOSA BRINBCD TO THE PARTNERSHIP, IAS A SUPPORT AGENCY, HIS TRADING COMPANY, MAHA TRADING ESTABLISHMENT (SEE THE WTDR UNDER REFERENCE) AND SOLID CONNECTIONS IN THE BANKING SECTOR OF THIS PART OF SAUDI ARABIA. HE IS KNOWN AS A YOUNG,

SERIOUS AND GENTLEMANLY BUSINESSMAN -- ONE OF THE NEW BREED OF SAUDI WHO IS HIGHLY REGARDED IN THE BUSINESS COMMUNITY. THE SAUDI BUSINESSMAN'S PRINCIPAL CONTRIBUTION TO AL-MAHA IS HIS ACCESS TO FAVORABLE FINANCING. NASIM, A BRITISH SUBJECT OF SUBCONTINENT ORIGINS, IS DESCRIBED BY A MANAGER WITH A COMPANY THAT HAS AWARDED AL-MAHA SEVERAL CONTRACTS, AS BEING "AN EXCELLENT CONSTRUCTION ENGINEER....CAPABLE OF MANAGING A MUCH LARGER OPERATION" THAN HE CURRENTLY DIRECTS. HK DESCRIBES THE COMPANY AS HAVING PRODUCED QUALITY FINISHED PROJECTS AND ONE OF ITS STRONG POINTS (WHEN COMPANY COMPARED WITH COMPETITORS) HAS BEEN ITS ABILITY TO PURCHASE NEEDED SUPPLIES QUICKLY FROM OVERSEAS SUPPLIERS AND HAVE THEM DELIVERED HERE WITH GREAT SPEED. AL-MAHA HAS BEEN HANDLING JOBS IN THE RANGE OF US \$500,000 AND SEEMS READY TO UNDERTAKE LARGER PROJECTS. CONSEQUENTLY COMPANY, WHICH WOULD LIKE TO BE SUCCESSFUL BIDDER ON PROJECTS IN RANGE OF US \$15-20 MILLION, BELIEVES THAT JOINT-VENTURE WITH AMERICAN COMPANY IS SUREST WAY TO ATTAIN ITS GOAL.

3. NASIM WISHES TO ARRIVE IN WASHINGTON ON SEPTEMBER 9 TO BEGIN CALLS ON COMPANIES WHO COULD BE INTERESTED IN JOINT VENTURE PROPOSAL OUTLINED ABOVE. POST HAS PROVIDED HIM WITH NAME OF CAGNE MARKETING MANAGER PETER EDMONDS AND MARY INOUSA IN BIC'S OFFICE OF INTERNATIONAL INVESTMENT. NASIM IS PRIMARILY INTERESTED IN MEETING CANDIDATE COMPANIES LOCATED IN SOUTHEASTERN US AND IN STATES BORDERING US GULF COAST. HE WOULD LIKE TO BUNCH JOINT VENTURE

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PARTNERS IN ONE PART OF US AS HE BELIEVES IT WOULD BE EASIER TO COMMUNICATE WITH THEM. AL-MAHA PARTNER PLANS TO STAY IN US AS LONG AS IT IS USEFUL TO HAVE APPOINTMENTS AND IS WILLING TO TRAVEL ANYWHERE IN US IN PURSUIT OF HIS GOALS. APPRECIATE BEING ADVISED, BY END OF AUGUST, NAMES OF USDOC POINTS OF CONTACT IN WASHINGTON AND IN DISTRICT OFFICES WHO COULD AID IN SETTING UP APPOINTMENTS. AS NASIM WILL BE VISITING HOUSTON, HE WAS GIVEN NAME OF HOUSTON DISTRICT OFFICE DIRECTOR FELIX GUERRERO.

4. POST COMMENTS THAT AL-MAHA CONSTRUCTORS HAVE PROPOSED AN ATTRACTIVE JOINT VENTURE PACKAGE WHICH SHOULD INTEREST SMALL TO MIDDLE-SIZE US COMPANIES WHO WISH TO ENTER A FAST-GROWING MARKET ON A RELATIVELY MODEST SCALE. NASIM ESTIMATES THAT JOINT VENTURE COULD BECOME OPERATIONAL WITH MINIMAL CAPITAL CONTRIBUTION IN RANGE OF \$100,000 TO US \$150,000. PERHAPS ONLY PROBLEM WITH NASIM'S PROPOSAL IS THAT AL-MAHA MAY NOT BE READY TO TAKE ON ALL THREE JOINT VENTURES HE PROPOSES AT ONE TIME.

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